

Message Text

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21

ACTION XMB-04

INFO OCT-01 ARA-10 ISO-00 EB-07 OMB-01 TRSE-00 CIAE-00

INR-07 NSAE-00 /030 W

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R 031757Z JUL 75

FM AMEMBASSY TEGUCIGALPA

TO SECSTATE WASHDC 517

UNCLAS TEGUCIGALPA 2853

FOR EXIMBANK

E.O. 11652: N/A

TAGS: EFIN, HO

SUBJECT: RENEWAL OF EXIMBANK CFF LINE FOR BANCO DE EL
AHORRO HONDURENO

1. THROUGH BANCO DE EL AHORRO HONDURENO, S.A. EMBASSY IS IN POSSESSION OF EXIMBANK CABLES SENT MAY 8, 1975 AND JUNE 16, 1975 TO ARNULFO GUITERREZ, SAN PEDRO SULA MANAGER OF THE BANCO DE EL AHORRO. THE BANK IS UNABLE TO COMPLY WITH EXIMBANK REQUEST FOR EXTERNAL AUDIT FOR YEARS 1973 AND 1974. SUCH AN AUDIT, ACCORDING TO BANK PRESIDENT ALBERTO SMITH, IS NOT REQUIRED BY HONDURAN LAW. INTERNAL AUDITS ARE FREQUENT AND CENTRAL BANK AUDITING PROCEDURE PLACES CENTRAL BANK OFFICIALS IN THE COMMERCIAL BANK ON A CONTINUING BASIS. THE BANK COULD OBTAIN AN EXTERNAL AUDIT, IF EXIMBANK SO REQUIRES, AT THE END OF 1975 WHEN THE CURRENT BOOKS ARE CLOSED.

2. MR. SMITH ADDS THAT THE CFF ARRANGEMENTS WITH THE EXIMBANK DATE BACK ABOUT FOUR YEARS AND THAT AN EXTERNAL AUDIT WAS NEVER INDICATED AS A REQUIREMENT TO ADMINISTER THESE FUNDS. HE BELIEVES THAT THE CFF IS HIGHLY ADVANTAGEOUS TO THE BANK AND IF NECESSARY, WILL PURCHASE AN EXTERNAL AUDIT FOR 1975. HE NOTES THAT THE BANK HAS CREDIT LINES FROM BOTH THE JAPANESE AND GERMAN EXPORT PROMOTION BANKS, BUT THAT NEITHER OF THESE LINES OF CREDIT

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HAVE BEEN UTILIZED GIVEN THE AVAILABILITY OF THE EXIMBANK

CREDITS.

3. CONCERNING LOANS AFFECTED BY HURRICANE FIFI, THE BANK HAS PROVIDED A LISTING WHICH WILL BE FORWARDED BY AIRGRAM. THIS DATA APPEARS TO BE RESPONSIVE TO THE QUESTION OF CUSTOMER LOANS AS A RESULT OF THE HURRICANE BUT DOES NOT ANSWER THE QUESTION OF THE PERCENTAGE OF LOAN PORTFOLIO WHICH HAS EXPERIENCED DELAYS IN PAYMENT OR RESCHEDULED MATURITIES.

4. COMMENT: WHEN EMBASSY ASKED SMITH WHY THE PROBLEM WAS BEING RAISED WITH THE EMBASSY, HE REPLIED THAT HE WISHED TO HAVE OUR ASSISTANCE IN CLARIFYING WITH EXIMBANK AN INCIPIENT PROBLEM. THE EMBASSY RESPONDED BY TRANSMITTING THE ABOVE INFORMATION. THE FACT THAT AN EXTERNAL AUDIT IS NOT REQUIRED HAS BEEN CONFIRMED WITH OTHER BANKS.
SOWASH

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